



CITY OF DURHAM | NORTH CAROLINA

Date: December 3, 2013

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Department of Community Development
Subject: FY 2014-2015 Annual Action Plan “Needs” Public Hearing

Executive Summary

The Citizen Participation Plan contained in the adopted 2010-2015 Consolidated Plan requires that two (2) public hearings be held prior to the submission of the Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD). The purpose of the first public hearing is to receive citizen comments on how Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) funds can be used to address housing and community development needs in Durham. The purpose of the second public hearing, tentatively scheduled to be held in April, is to receive citizen comments on the City’s proposed use of those funds for the 2014-2015 fiscal year.

Recommendation

The Department of Community Development recommends that the City Council hold a “Needs” public hearing on January 6, 2014 to receive citizen comments related to community development needs.

Background

As an entitlement city, Durham has been the recipient of CDBG funds since 1975 and HOME funds since 1992. CDBG funds have primarily been used for housing activities, public services, code enforcement and public infrastructure. Due to the renewal of a HOME Consortium Agreement in 2011 with Durham County, HOME

Consortium funds will be jointly awarded to the City and County on a pro rata share of approximately 95% and 5%, respectively. HOME Consortium funds have been used for affordable housing activities as required by the HOME program regulations. Durham is also a recipient of Emergency Solutions Grant (ESG) funds from HUD, which are used to provide assistance to individuals and households who are homeless or at risk of becoming homeless.

The Annual Action Plan is Durham's application to the U.S. Department of Housing and Urban Development for the upcoming fiscal year's funding and outlines the actions Durham is taking with HUD-awarded funds to meet the goals as described in the 2010-2015 Five Year Consolidated Plan. A summary of the comments received from the "Needs" public hearing will be incorporated into the draft FY 2014-2015 Annual Action Plan which will be presented to the City Council for an additional public hearing and adoption in April 2014

Issues/Analysis

The adopted Citizen Participation Plan requires that at least a 10-day notice be given to the public concerning the scheduling of an Annual Action Plan public hearing. In order to inform citizens of the upcoming public hearing, notices have been published in the *Herald-Sun* and the *Carolina Times*.

Alternatives

In order to receive CDBG, HOME and ESG funds and remain in compliance with federal regulations, the participating jurisdiction must hold two public hearings prior to the submission of its Annual Action Plan by May 15th to HUD. The only flexibility that the City has is in determining the dates for the public hearings.

Financial Impact

HUD has not yet notified the City of final entitlement amounts for FY 2014-2015. For planning purposes, the City expects to receive approximately \$1,650,000 in CDBG funds, \$700,000 in HOME funds, and \$100,000 in ESG funds.

The Durham City-County Consortium will be required to provide a 25% match (non-federal funds) to the total amount of HOME funds used directly for affordable housing activities during FY 2014-2015. Housing bond program income is the primary source of the required match. Currently, the City has sufficient "carryover" match from prior fiscal years to meet this requirement.

SDBE Summary

Not applicable to this item.